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Instructions For Reporting State-Assessed Property

*Telephone Companies—
Wireless*

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Foreword

The State Board of Equalization is required, under the provisions of section 19 of Article XIII of the Constitution, to assess annually all property, other than franchises, owned or used by telephone companies. These instructions are for the direction of those persons responsible for reporting such property. If you have any questions regarding the property statement forms or reporting instructions, contact the Valuation Division, telecommunication section at 916-327-5029.

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I. Property Statement

A. General

A sworn property statement shall be filed annually with the State Board of Equalization by each person, corporation, or other entity owning, claiming, possessing, using, controlling, or managing any state-assessed property.

This statement shall consist of:

1. Declaration of Costs and Other Related Property Information
2. Such other information as is hereinafter directed or as may be from time to time requested by the Board.

Except as noted below, all parts of the property statement shall be filed not later than *March 1st* of each year. When there is nothing to report on a portion of the property statement, the state assessee must submit the appropriate form marked "NONE." Failure to respond to all parts of the Property Statement may subject the assessee to the penalties of section 830 of the Revenue and Taxation Code.

To meet unusual situations, exceptions to the requirements of these instructions may be granted in writing by the Chief of the Valuation Division.

The Board, for good cause, may grant extensions as follows:

1. Up to 45 days for parts of the property statement relating to development of unitary value indicators. This includes all financial schedules, and any supplemental data requested by the Board. It also includes studies and other voluntary information that the assessee believes affects the value of their property.
2. Up to 30 days for parts of the property statement describing specific operating or nonunitary property. This includes Tangible Property Lists, Derivation of Unit Costs, Statements of Land Change and Land Identification Maps, and Schedules of Leased Equipment.
3. An additional 15-day extension may be granted for either category above upon the showing of extraordinary circumstances which prevent filing the statement within the first extension.

Supplemental reporting instructions may be issued to individual companies when additional data is needed or to clarify these instructions concerning specific issues. These supplemental instructions will be mailed at least 20 days prior to the extended reporting deadline.

Portions of the State Constitution, Revenue and Taxation Code, and other codes have pertinent information relating to the instructions contained in this publication. All of the codes and portions of the State Constitution pertaining to property tax laws are contained in a publication of the State Board of Equalization titled "Property Taxes Law Guide." This publication may be purchased from the State Board of Equalization, Publications Order Desk, 3920 West Capitol Avenue, West Sacramento, CA 95691. This publication and all other property statement forms and publications may be obtained from the Internet site of the Board of Equalization at **www.boe.ca.gov**.

All information provided in the Property Statement declaration is subject to audit.

B. Declaration of Costs and Other Related Property Information (form BOE-517-WT)

This property statement must be signed by the owner or partner of the business, a duly appointed fiduciary, or an agent. When signed by an agent or employee other than a member of the bar, a certified public accountant, a public accountant, or a duly appointed fiduciary, the assessee's written authorization of the agent or employee to sign the statement on behalf of the assessee should be on file with the Valuation Division. The entry on the line "title" should clearly indicate whether or not written authorization is required to be filed with the Board.

In the case of a corporation, the property statement must be signed by an employee or agent whom the board of directors has designated in writing (other than those excepted on the previous page), by name or by title, to sign such statements on behalf of the corporation, or by an officer of the corporation. The board of directors may appoint a person or persons to designate such employee or agent. The name of the corporation should be entered on the line provided.

Sign the property statement in accordance with the requirements listed above. Title 18, section 172 of the California Code of Regulations provides that statements not properly signed have not been properly submitted.

1. Statement of Authorization.

In the cases where a company is assigning an agent or authorized representative other than the owner or a corporate officer to act as agent for Property Tax matters with the Board of Equalization, a Statement of Authorization (form BOE-892) must be filed with the Valuation Division. The filing must be submitted annually in order for the agent or representative's status to remain current.

2. Financial Schedules A to E.

These schedules shall be used to show the taxpayer's balance sheet, income and expense statement, and such other information as is required on forms (form BOE-517-WT and applicable inserts) supplied by the Valuation Division. All cost amounts should be reported at original cost before depreciation.

a. Schedule A—Comparative Balance Sheet

Complete all California and system information as requested. For System companies, enter California balances in all boxes footnoted with an "a." In addition to completing Schedule A, provide a copy of your December 31, 2006, or most recent Balance Statement. Preliminary unaudited financial statements may be submitted. However, if preliminary financial statements are submitted, submit the audited financial statements as soon as they are available.

b. Schedule B—Plant and Equipment in California

All assets owned or leased shall be reported on Schedule B at original or book cost. Report end of year system balance in the far right column. Original or book cost should include all capitalized costs incurred to place an asset in service. Private right of way costs should also be reported on Schedule B with the appropriate account number.

c. Schedule B-0—Distribution of Cost

Use Schedule B-0 to report plant and equipment cost by account, by county. Plant and equipment cost reported on Schedule B shall be the basis for completing Schedule B-0. If all plant and equipment reported on Schedule B is located in **only one** (1) California county, indicate the county in Section A and skip Section B. See Section II of this publication for a listing of California counties.

d. Schedule B-1—Cost Detail of Depreciable Property (California and System)

Depreciable plant and equipment in service shall be grouped by account category and reported on Schedule B-1 at original or book cost by acquisition year. Category totals should agree to the corresponding amounts reported on Schedule B. Attach a reconciliation schedule if the amounts are different.

e. Schedule C—Operating Income Statement (California and System)

Use Schedule C to report Income Statement data. Indicate whether information reported is California or System data. In addition to completing Schedule C, provide a copy of your current year end, or most recent Income Statement. Preliminary unaudited financial statements may be submitted. However, if preliminary financial statements are submitted, submit the audited financial statements as soon as they are available.

f. Schedule D—Construction Work In Progress (California)

Use Schedule D to report information specific to California construction work in progress (CWIP). Report the amount of CWIP that is considered replacement, the amount of CWIP that is considered growth and the total amount of CWIP located in California.

g. Schedule E—Wireless Structure Data

Use Schedule E to report retail, wholesale, and total data regarding number of customers and average monthly revenue per customer. Also use this schedule to report service area population and upfront commissions that were paid for increase in customer base.

C. Tangible Property List (TPL)

1. Unitary Property

A Tangible Property List is not required for reporting unitary property for Wireless Telephone Companies. In lieu of a TPL, Wireless Telephone Companies will submit a Schedule B-0 that is part of the BOE-517-WT – Property Statement. The Schedule B-0 is described in section B above. See Appendix E for sample data.

2. Nonunitary Property

All property carried on the books of the assessee in nonoperating accounts or classified by the Valuation Division as nonoperating or nonunitary property the prior year, should be reported on the Tangible Property List (TPL), form BOE-533. The TPL form will not be included in your Property Statement packet, however a copy of the TPL form may be obtained from the Valuation Division by telephoning us at 916-322-2323 or from the Board of Equalization's Internet site www.boe.ca.gov. Contact the Valuation Division by phone to receive step by step instructions for reporting nonoperating property on the TPL. Nonoperating property must also be reported in the specific Tax Rate Area where such nonoperating property is located. See Appendix A for an explanation of Tax Rate Areas.

D. Statement of Land Changes

All land owned or used by state assessees (including gas transmission companies) other than land associated with intercounty pipelines must be reported to the Board. The term "used by" includes properties leased by the state assessee from private parties (Leased) or government agencies (Possessory Interests). The Board may delegate assessment responsibility to local assessors when state assessees use only a small part of a leased property and the taxes are to be paid by a local assessee.

Assessees that own, lease, or use a fiber optic cable or gas transmission pipeline right of way must report the number of miles of right of way on the Schedule of Fiber Optic Right of Way Miles, form BOE-534-FO or the Schedule of Gas Transmission Pipeline Right of Way Miles, form BOE-534-PL.

1. General.

The Statement of Land Changes (SLC), form BOE-551, shall list all lands which have been acquired or disposed of (including partial sales or leases) since the date of the previous property statement. The SLC must be filed with the property statement, or within 60 days of acquisition or disposal, whichever is earlier. State assessees filing a property statement for the first time must file an SLC for each land parcel in which they have an interest. The SLC must be completed in its entirety. If a section of the SLC does not apply to the parcel being reported, it should be marked "Not Applicable" or "N/A." If no transactions involving land have occurred since the last property statement, an SLC should be filed marked "None" or "No Changes."

The SLC requests the following information:

- a. Tax Rate Area.
- b. Map and parcel numbers (see Land Identification Maps).
- c. Area (acres or square feet) of parcel, or mileage if a right of way parcel.

- d. Both old and new parcel numbers in the case of reparable.
- e. Name and address of grantor or grantee (lessor or lessee if leased land).
- f. Type of instrument and date of agreement.
- g. Recording reference and date.
- h. Description of improvements included.
- i. The consideration (if any).
 - 1. Purchase price
 - 2. Sales price
 - 3. Monthly/Annual rental at start of lease
 - 4. Current rental
- j. County assessor's parcel number.
- k. Lease information.

2. Leased Properties.

In the case of a new lease, a description of the terms of the lease shall be given, including the amount of the current rental, the term of lease, and renewal options, if any. If the terms of the lease are complex, or cannot be fully described in the space provided, attach a copy of the lease. In certain circumstances, the assessee may be required to provide a copy of the lease agreement. Leased properties include property leased to or from another person. The improvements being leased shall be itemized. A copy of the building plan should be included for newly leased structures.

Whenever there is a renewal of the lease on real property which is reported to the Board, an SLC shall be filed with the Valuation Division. A brief description of the terms of the renewal shall be given, including the amount of the rental and the new expiration date. The SLC should be clearly marked "Lease Renewal."

Legal parcels which are entirely leased (100%) by a state assessee must be reported to the Board on a Statement of Land Changes (form BOE-551). Three copies of land identification maps must be included.

If one state assessee (lessee) leases property from another state assessee, the lessee is not required to file a Statement of Land Changes (form BOE-551). Wireless lessees, shall include the property on the Wireless Communications Sites (form BOE-516) that is filed with the Property Statement.

A ground lease for a portion of a legal land parcel (partial lease) for facilities such as cellular telephone sites, microwave sites (passive or active), repeater sites, substations, etc., shall be reported.

A ground lease for wireless tower sites that are used but not owned by state assesses on which property taxes are paid by a local assessee do not require a SLC to be filed.

A lease of a portion of office or commercial space within an existing building, roof-top space for communications equipment, or vault space within an existing privately owned communications facility (partial leases) should not be reported unless the leased portion is from a tax exempt lessor. State assessee owned or used equipment at these locations is assessable and shall be reported on the TPL.

3. Possessory Interests.

Taxable possessory interest means a possessory interest in nontaxable publicly owned real property, as such property is defined in section 104 of the California Revenue and Taxation Code, and in taxable publicly owned real property subject to the provisions of sections 3(a), (b) and 11, Article XIII of the Constitution. For further definitions of possessory interests see Property Tax Rule 20, Title 18, California Code of Regulations. It should be noted that the partial lease provisions of item 2 above do not apply to possessory interests.

In listing a possessory interest in a parcel owned by a tax-exempt government agency, the name of the agency shall be shown, and the expiration date of the agreement shall be stated. If the possessory interest is derived from a permit or license, the area (or length) and type of use must be stated.

4. Partial Interests.

The following variations are applicable to particular kinds of partial interests in land:

- a. In listing an undivided interest in a parcel, the total area of the parcel shall be shown, together with the nature and extent of the assessee's interest, and the names of the other owners.
- b. In listing a special interest in a parcel, such as oil rights only, or a full interest except for oil rights, the nature and extent of the interest shall be shown.
- c. In listing water rights, descriptions shall include the name of the granting agency, the tax situs, the quantity of water use allowed by the water right, the use to which the water will be put, and any other information deemed necessary. The Land Identification Map and parcel number shall be shown if the situs is at a parcel.
- d. In listing miscellaneous rights in land not covered above, the rights shall be fully described.

5. Nonoperating Land Parcels.

Land parcels that are carried on the books of the assessee in nonoperating accounts, or that were classified by the Valuation Division as wholly or partially nonoperating the prior year must be reported by Tax Rate Area. If the Tax Rate Area code differs from that of prior year, the change must be reported to the Board. If a changed Tax Rate Area boundary splits an existing nonoperating parcel, the parcel must be split accordingly, and a new parcel map filed. The standard SLC shall be used for this type of transaction. If the changed Tax Rate Area boundary encompasses an entire parcel, only the changed Tax Rate Area code number need be reported. A special SLC (form BOE-551-TRA) may be used to report this change, and no new map need be filed.

6. Land Identification Maps.

Each statement of land changes, except those related solely to a rental increase or a rental extension, shall be accompanied by Land Identification Maps (Maps). Land Identification Maps shall be filed in triplicate, with the name of the company and the name of the county on each map. Each Map shall be assigned map and parcel numbers as outlined below. Each Map shall show such information as will clearly describe and locate the property with respect to:

- Officially established lines such as section lines, parcel lines, parcel centerlines and intersection lines.
- Reference points shown on maps of record such as township and range.
- Assessor parcel number as it pertains to the parcel being reported.

This information shall include, if necessary, legal descriptions or references to maps filed with the county recorder under the provisions of Division 3, commencing with section 66499.50 of Title 7 of the Government Code. Maps showing information other than land location matters may be used, but such other information will not be considered a part of the description for purposes of assessment.

The scale of the map and the direction of North shall be shown on all Maps. Previously prepared maps, such as Interstate Commerce Commission valuation maps, will be accepted up to a maximum overall size of 24" x 56". County assessor's parcel maps will be acceptable, provided they meet the previously stated tests for clarity of description, and if they have the parcel being described clearly delineated.

Land Identification Maps shall be assigned a three part number; for example, 872-34-6B or 1284-34-7. In the first example, 872 is the SBE number assigned to the assessee; 34 is the code number of the county, being the county's position in an alphabetical tabulation of counties; 6 means that the Map is number 6 in a series of Maps for that county; 6B indicates that changes occurred as shown on Map 6 after it was originally filed, requiring reparcelling as shown in Map 6A, and further reparcelling as shown on 6B. Parcel numbers shall be assigned consecutively beginning with Parcel 1 for each map. Parcel numbers shall restart with number 1 on each subsequent revision to the base map.

Each new map showing the reparcelling of parcels on a previously filed map shall be given the same number as the original map with the suffix "A" (or "B", "C", etc., when more than one supplementary map is filed). No land which remains correctly described by the original map shall be shown as parcels on the new map with the suffix.

Each nonoperating parcel shall be entirely within one Tax Rate Area, and no parcel shall extend beyond the limits of one map. It is not necessary to show Tax Rate Area numbers on the map. A map may contain more than one parcel in the same county. Maps of nonoperating parcels may contain more than one Tax Rate Area, as long as each parcel is totally included in one Tax Rate Area. Additional parcels cannot be shown using the same map number in a subsequent year; letter suffixes must be added.

Maps shall not be refiled annually. New maps shall be filed only under the following circumstances:

- a. When it is necessary to show new parcels acquired subsequent to the prior year lien date property statement.
- b. When new parcelling of previously reported parcels is necessary; for example, new Tax Rate Area boundary lines splitting a nonoperative parcel, or when a portion of a previously reported parcel is disposed of. In the latter case, only the portion retained is to be shown on the new map.

Changes such as disposal of an entire parcel, changes in the non-fee status that do not affect the boundaries of the parcel, lease renewals, etc., do not require the submission of new maps, and new maps will not be accepted under these circumstances.

Any deviations from the above standards must be approved by the Valuation Division in advance, and in writing.

E. Schedule of Wireless Communication Sites

Form BOE-516, **Wireless Communications Sites**, should be used to report all wireless communication sites acquired during the prior calendar year. First time filers (state assesses filing a property statement for the first time) should list all sites owned or leased. For subsequent years, report those cell sites acquired during the calendar year prior to the lien date. All sites acquired during the calendar year should be reported. It is important that all fields of the form are completed with sufficient detail so that it may be properly determined whether a site is subject to state or local assessment. If you wish to create a copy of the form BOE-516 electronically, it must be in the identical format and contain the same fields as the prescribed form. If there were no sites acquired during the year, enter "NONE" in column D of the form and return it with your property statement filing.

F. Schedule of Intangible Information

The Schedule of Intangible Information, form BOE-529-I, shall be used to declare intangibles. If intangibles are declared, they should be itemized and include a corresponding value. The basis of each value should also be described on the form.

If no intangibles are declared, check the box titled **No Reportable Intangibles**, or mark the "N/A" box on the front of the form BOE-517 indicating nothing to be reported.

G. Schedule of Leased Equipment

Personal property or equipment in the possession of the assessee which is rented or leased is to be reported on forms BOE-600-A or BOE-600-B. All equipment which the state assessee (lessee) is obligated by the terms of the lease to report for ad valorem tax purposes shall be listed on form BOE-600-A. Equipment for which there is not a written understanding between the state assessee and the lessor as to which one is to report the property for assessment shall also be included on form BOE-600-A. Property leased from an entity described in Revenue and Taxation Code section 235 (financial corporation) must be reported on **form BOE-600-A** notwithstanding the terms of the lease with respect to payment of the property taxes. *All equipment listed on form BOE-600-A is also to be included in the Tangible Property List.*

All equipment which, either by the terms of the lease or by a written understanding between the state assessee and the lessor, except as noted above, that the lessor is to report to the local assessor for assessment to the lessor, shall be reported on form BOE-600-B and shall NOT be included in the Tangible Property List. Forms BOE-600-A or B for reporting leased personal property or equipment may be obtained from the Valuation Division.

Additional instructions are printed on the reverse side of each form.

H. Fiber Optic Miles of Right of Way

Form BOE-534-FO, ***Schedule of Fiber Optic Right Of Way***, should be used to report annually to the Valuation Division the number of miles of California fiber optic right of way (ROW)/easements. The assessee is not required to report fiber optic ROW on form BOE-551, ***Statement of Land Changes***.

For purposes of this publication, right of way is defined as any land or partial interest in land owned or used for the purpose of laying or placing fiber optic cable in order to transmit voice, data, or video signals. The term "used by" shall include land leased by a state assessee from private parties (leased) or government agencies (possessory interest). A right of way is created when fiber optic cable is installed on a pole, buried in the ground or laid on the surface of the ground.

If you do not own or use any fiber optic ROW, check the box titled ***No Property Interest***, on form BOE-534-FO.

When completing form BOE-534-FO, the following information should be provided.

- Lien date (year)
- Assessee Name
- SBE Number assigned to your company
- Number of miles, by county, of public ROW located in a public street or highway
- Number of equivalent miles, by county, of private shared ROW
- Number of miles, by county, of private ROW (Not Shared) and any taxable possessory interest (PI) not located in a public street or highway
- Number of miles of local assessed ROW, by county
- Total number of miles, by county
- Grand total of California ROW miles

Provide one copy of a ROW route map in sufficient detail to locate on the ground. This is not a request for assessor parcel maps. All maps should be to scale to allow verification of the miles of ROW. Most internal company "As Built" drawings (maps) or route maps will fulfill this reporting requirement.

Classification of Fiber Optic Right of Way

Each mile of ROW shall be classified as public, private shared, private not shared, or locally assessed.

ROW located above, below, or along a public street or highway shall be classified as public. ROW assessed by the county assessor with the larger parcel from which the easement originated shall be classified as locally assessed. Private ROW shall be any remaining miles. Private ROW cost should be reported on Schedule B of the form BOE-517 with the account number used by the company to identify the cost.

Report only permanent ROW. Do not report any temporary parcels used for construction of the fiber optic system.

All miles are route (not fiber) miles and should be the total linear miles in, on, or along the ground. Do not include any miles located in a building.

For reporting purposes, report only owned ROW. Do not report ROW used for fiber swaps and exchange of capacity.

The following table should be used as a general guideline in classifying ROW. It does not represent a complete list of the numerous and varied land rights and agreements. Please check with your engineering and/or real estate staff for assistance in classifying ROW miles.

| Type of Property | Public Street/Hwy | Private Shared | Private Not Shared | Locally Assessed |
|---|--------------------------|-----------------------|---------------------------|-------------------------|
| Fee Simple | | YES | YES | |
| Leased | | YES | YES | |
| ROW and Easement Agreement | | YES | YES | |
| Taxable PI (<i>in public street or hwy</i>) | YES | | | |
| Taxable PI (<i>not in public street or hwy</i>) | | | YES | |
| ROW/Easement Valued by County Assessor (<i>Value of ROW/easement is included in the value of the larger parcel from which the easement originated</i>) | | | | YES |
| Indefeasible Right to Use (I.R.U.) Agreement | YES | YES | | |
| Fiber Swaps or Exchange of Capacity Agreement (<i>Report owned ROW only. Do not report used ROW.</i>) | | YES | YES | |

I. Miscellaneous Information

1. Stockholder's Reports and Reports to Regulatory Agencies.

Copies of reports to stockholders and reports to regulatory agencies shall be submitted to the Valuation Division as set forth in the instructions to state assessees included with Property Statement form BOE-517.

2. Foreign Improvement Lists.

Each state assessee shall annually file a statement attesting to the separate ownership of improvements located on land owned by the assessee, with the assessor of each county where such property is located, and shall furnish a copy of the statement to the Valuation Division.

3. Construction Work in Progress.

Construction Work in Progress (CWIP) should be reported as follows:

- a. Preliminary Engineering Costs as Part of Taxable CWIP—Preliminary Engineering Costs are those costs incurred prior to the commencement of a construction project such as feasibility studies, architectural drawings, and engineering studies. Preliminary Engineering Costs may also include architectural and engineering costs incurred during the construction phase of the project, providing they relate to the overall project rather than to the portion of the project currently being constructed. These costs should be metered in as part of taxable CWIP based on the percentage of completion as of January 1. Ideally, this completion percentage should be based on an engineering estimate. However, if an engineering estimate is not obtainable, a completion percentage based on the incurred costs of construction including overhead to January 1, divided by the estimated total costs for the project will be accepted.
- b. Overhead Costs as Part of Taxable CWIP—The reported amount for CWIP should include the proper loading for Overhead Costs. Overhead Costs are indirect labor, injuries and damages, taxes, general and administrative expenses, and overhead loading such as Allowance for Funds Used During Construction (AFUDC). The reported CWIP for California is considered to be properly loaded with its respective amount of taxable Overhead Costs when:
 1. The taxable overhead costs are traceable to the taxable property; or
 2. The taxable CWIP is loaded with its proportionate share of Overhead Costs based on the percentage of the job's incurred taxable costs including the metered in Preliminary Engineering Costs to the total expenditures as of the lien date. This percentage is expressed as:
$$\frac{\text{Taxable costs to date before overhead loading}^1}{\text{Total costs to date before overhead loading}}$$
- c. CWIP should be reported in two categories:
 1. CWIP representing construction of new facilities
 2. CWIP representing replacement of existing facilitiesIf precise dollar amounts for the two categories of CWIP are not available, percentages may be reported with an explanation of how the percentages were derived.
- d. All CWIP must be included in the TPL.

4. Book Cost.

The book cost of an asset should include all the capitalized costs of placing an asset into service. These costs include but are not limited to:

- a. Purchase price.
- b. Sales and use taxes.
- c. Transportation charges.
- d. Installation charges.
- e. Construction period finance charges.
- f. Construction period opportunity costs.
- g. Engineering and design costs.
- h. Site feasibility and acquisition costs.

If the book cost being reported does not include these capitalized costs or other capitalized costs that were incurred in order to place assets into service, report such costs on a separate schedule.

If any of the costs referred to above are being expensed, report such costs on a separate schedule.

¹ Taxable costs to date, less nontaxable preliminary engineering and less any other nontaxables such as prepayments for out-of-state equipment.

Self-constructed equipment and buildings:

The book cost of self-constructed equipment and buildings should include all the costs referred to above. The book cost should be the cost that an unrelated party, bearing the full economic burden, would charge to place an asset into service on a turnkey basis. If any of these costs were not incurred as a cash expenditure, impute an economic (prevailing rate at the time of construction) dollar amount and report such amounts on a separate schedule.

5. Average Inventories.

If property is held for resale, report the average inventory of such property for the prior calendar year as well as year end balances.

6. Working Cash.

Report estimated working cash necessary for operations based upon the latest lead/lag studies required by the most recent rate cases. Should no current lead/lag study be available, report estimated working cash by other appropriate or generally accepted practices. In either instance, detailed analysis of how the estimate was derived should be included.

7. Exempt Software

Pursuant to Revenue and Taxation Code section 995, storage media for computer programs, such as hard drives, shall be valued for property tax purposes as if there were no computer programs on such media other than basic operational programs. In other words, computer programs other than basic operational programs are not subject to property tax. Revenue and Taxation Code section 995.2 defines the term "basic operational program." All software programs not considered "basic operational programs" may be referred to as "exempt software programs" or "nontaxable programs." It is the assessee's responsibility to identify and remove all exempt software program costs from taxable accounts and report these costs separately to the Board of Equalization on the Schedule B and Summary Control portions of the Property Statement.

All reported costs of exempt software programs are subject to audit. In support of an assessee's claimed software exemption, Property Tax Rule 152 (f) states, "A person claiming that a single-price sale or lease includes charges for nontaxable programs and services should be required to identify the nontaxable property and services and supply sale prices, costs or other information that will enable the assessor to make an informed judgment concerning the proper value to be ascribed to taxable and nontaxable components of the contract." *Other information* can include, but is not limited to, a detailed study from the manufacturer of the equipment. Property Tax Rule 152 (e) also states, in part, "the assessor, lacking evidence to the contrary, may regard the total amount charged as indicative of the value of taxable tangible property."

II. Appendices

Appendix A. Tax Rate Areas

Each county in California is divided into taxing districts, or a combination of taxing districts called Tax Rate Areas. Each Tax Rate Area within a county is assigned a unique Tax Rate Area number in that county. The Tax Area Services Section (TASS) of the Assessment Policy and Standards Division defines the boundary of all Tax Rate Areas and assigns the Tax Rate Area numbers. The purpose of the Tax Rate Areas is to determine the property tax amount by applying a specific tax rate, corresponding to the Tax Rate Area where the property is located, to the assessed value of that property.

Tax Rate Area maps are available for use by the taxpayer at the Board headquarters office in Sacramento, or a taxpayer may inspect the maps at the local assessor's offices. Copies of these maps may be purchased from TASS.

Information regarding the Tax Rate Area number for a specific location can be obtained from TASS. A subscription service is available for a fee. Any questions or requests should be directed to TASS by contacting Tax Area Services Section, PO Box 942879, Sacramento, California, 94279-0059, or by telephone at 916-322-7185.

Appendix B. Account Prefixes

| Prefix | Description |
|---------------|-------------------------------------|
| C | Common |
| D | Private Rail Cars |
| E | Electric |
| G | Gas |
| M | Radio Common Carriers |
| P | Pipelines |
| S | Steam |
| T | Competitive Local Exchange Carriers |
| T | Competitive Access Providers |
| T | Interexchange Resellers |
| T | Interexchange Telephone |
| T | Local Exchange Telephone |
| T | Wireless |
| R | Railroads |
| W | Water |

Appendix C. List of Available Publications

| Prefix | Description |
|---------------|--|
| 67EG | Electric Generation Companies |
| 67GE | Gas, Electric and Gas Transmission Companies |
| 67LE | Telephone Companies—Local Exchange Carriers |
| 67PL | Intercounty Pipelines and Watercourses |
| 67RC | Telephone Companies—Radio Common Carriers |
| 67RF | Railcar Maintenance Facilities |
| 67RR | Railroad Companies |
| 67TC | Telecommunication Carriers |
| 67TR | Telecommunication Resellers |
| 67WT | Telephone Companies—Wireless |

Copies of the above listed publications may be obtained by writing to:

State Board of Equalization
Valuation Division
PO Box 942879
Sacramento CA 94279-0061

Or by logging on to the Board of Equalization Internet site at **www.boe.ca.gov**.

Appendix D. List of California Counties

| COUNTY NUMBER | COUNTY NAME | COUNTY NUMBER | COUNTY NAME |
|------------------|----------------|------------------|-----------------|
| 1 | ALAMEDA | 30 | ORANGE |
| 2 | ALPINE | 31 | PLACER |
| 3 | AMADOR | 32 | PLUMAS |
| 4 | BUTTE | 33 | RIVERSIDE |
| 5 | CALAVERAS | 34 | SACRAMENTO |
| 6 | COLUSA | 35 | SAN BENITO |
| 7 | CONTRA COSTA | 36 | SAN BERNARDINO |
| 8 | DEL NORTE | 37 | SAN DIEGO |
| 9 | EL DORADO | 38 | SAN FRANCISCO |
| 10 | FRESNO | 39 | SAN JOAQUIN |
| 11 | GLENN | 40 | SAN LUIS OBISPO |
| 12 | HUMBOLDT | 41 | SAN MATEO |
| 13 | IMPERIAL | 42 | SANTA BARBARA |
| 14 | INYO | 43 | SANTA CLARA |
| 15 | KERN | 44 | SANTA CRUZ |
| 16 | KINGS | 45 | SHASTA |
| 17 | LAKE | 46 | SIERRA |
| 18 | LASSEN | 47 | SISKIYOU |
| 19 | LOS ANGELES | 48 | SOLANO |
| 20 | MADERA | 49 | SONOMA |
| 21 | MARIN | 50 | STANISLAUS |
| 22 | MARIPOSA | 51 | SUTTER |
| 23 | MENDOCINO | 52 | TEHAMA |
| 24 | MERCED | 53 | TRINITY |
| 25 | MODOC | 54 | TULARE |
| 26 | MONO | 55 | TUOLUMNE |
| 27 | MONTEREY | 56 | VENTURA |
| 28 | NAPA | 57 | YOLO |
| 29 | NEVADA | 58 | YUBA |

PROPERTY STATEMENT — WIRELESS TELEPHONE

STATE OF CALIFORNIA
BOARD OF EQUALIZATION**2007****DECLARATION OF COSTS AND OTHER RELATED PROPERTY INFORMATION
AS OF 12:01 A.M., JANUARY 1, 2007**

This statement must be completed, signed, and filed with the Valuation Division, Board of Equalization, PO Box 942879, Sacramento, California 94279-0061, by March 1, 2007. Omit cents; round to the nearest dollar.

NAME, STREET, CITY, STATE and ZIP CODE

XYZ Wireless, Inc.

10000 Wilshire Blvd., Suite 1000
Los Angeles CA 90010

SBE No.

☐ Indicate if above is a change of name and/or address.
OFFICIAL REQUEST

This request is made in accordance with section 826 of the Revenue and Taxation Code. This property statement must be completed according to the instructions and filed with the Board of Equalization on or before March 1, 2007. If you do not file this statement, you may be subject to the penalty provided in section 830 of the Revenue and Taxation Code. Attached schedules are considered to be part of the statement. THIS STATEMENT IS SUBJECT TO AUDIT.

MAKE NECESSARY CORRECTIONS TO ADDRESS LABEL

| THIS STATEMENT SHALL CONSIST OF: | DATE SUBMITTED | DATE TO BE SUBMITTED | N/A | Name and address of person to whom correspondence regarding audit should be addressed: |
|--|----------------|----------------------|-----|--|
| (1) Tangible Property List (BOE-532, -533, et al.) | | | | NAME John Smith |
| (2) Statement of Land Changes | | | | MAILING ADDRESS (street, city, state and zip code) Same as above |
| (3) Financial Schedules A to E | | | | TELEPHONE NUMBER (310) 555-1212 |
| (4) BOE-516, Wireless Communications Sites | | | | E-MAIL ADDRESS |
| (5) Schedule of Intangible Information | | | | LOCATION OF ACCOUNTING RECORDS (street, city, state and zip code) Same as above |
| (6) BOE-892, Statement of Authorization | | | | NAME OF AUTHORIZED REPRESENTATIVE (if applicable)* JSmith@excite.com |
| (7) Schedules of Leased Equipment | BOE-600-A | | | ADDRESS (street, city, state and zip code) |
| | BOE-600-B | | | DAYTIME TELEPHONE NUMBER () |
| (8) Other Information as Requested (see instructions on reverse) | | | | E-MAIL ADDRESS |
| a. Payments to Local Governments | | | | |
| b. Franchise Payments for Cable TV | | | | |
| c. Annual Rept. to Regulatory Agencies | | | | |
| d. Form 10K | | | | |
| e. Shareholders Report — 3 copies | | | | |
| f. Other | | | | |

List business activities: A wireless service provider operating in the greater southern California region, Nevada and parts of Arizona.

(✓) ENTITY TYPE: ☐ Proprietorship ☐ Partnership ☒ Corporation ☐ Other

Change in ownership prior 12 months? ☐ Yes ☒ No

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that I have examined this Property Statement, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete and covers all property required to be reported which is owned, claimed, possessed, controlled, or managed by the person named in the statement at 12:01 a.m. on January 1, 2007. If prepared by a person other than the taxpayer, this declaration is based on all information of which preparer has knowledge.

FULL LEGAL NAME IF INCORPORATED

SIGNATURE OF OWNER, PARTNER, OFFICER, OR AUTHORIZED AGENT

DATE

2007

PRINTED NAME OF SIGNATORY

John Smith

TITLE

President

SIGNATURE AND ADDRESS OF PREPARER OTHER THAN TAXPAYER

DATE

2007

FOR OFFICIAL USE ONLY

Under the provisions of sections 826 and 830 of the Revenue and Taxation Code and section 901, Title 18, California Code of Regulations, the Board of Equalization requests that you file a property statement with this Board between January 1, 2007, and 5:00 p.m., on March 1, 2007. The property statement shall be completed in accordance with instructions included with the property statement and in publication 67-WT, *Instructions for Reporting State-Assessed Property*, for lien date 2007. If you do not have these instructions, please let us know and we will mail them to you.

All parts of the property statement must be filed by March 1 (exception — see “N/A” below). Extensions of time for filing the property statement or any of its parts may be granted only on a showing of good cause under a written request made prior to March 1. If you do not file timely, it will result in an added penalty of ten percent of the assessed value as required by section 830 of the Revenue and Taxation Code.

(8) OTHER INFORMATION AS REQUESTED — INSTRUCTIONS

The following information shall be provided with the property statements:

- a. a statement of your 2006 payments to governmental agencies for the use of public property located in California. Please indicate those payments which are on the basis of agreements entered into prior to December 1955 and which have not been subsequently extended or renewed.
- b. list franchise fee payments for video and cable TV made during 2006. Do not include payments reported in item a above.
- c. a copy of your annual report(s) to regulation agencies, such as the I.C.C., F.C.C., F.E.R.C., C.P.U.C. etc.
- d. a copy of your Form 10K filed with the Securities and Exchange Commission.
- e. three (3) copies of your 2006 annual report to stockholders.
- f. other
 1. list name and mailing address of each cellular reseller to whom you sell switching and/or transmission service.
 2. supplemental information as requested.

A positive response is required for all parts of the property statement. If a request for information does not apply, please so state. If you do not respond to all parts of the property statement, you may be subject to the penalties of section 830 of the Revenue and Taxation Code.

N/A — Not Applicable

Forms BOE-600-A, *Schedule of Leased Equipment to be Assessed by the BOE to the State Assessee (Lessee)*, BOE-600-B, *Schedule of Leased Equipment Which is to be Reported by Lessor to Local Assessor for Assessment*, and BOE-551, *Statement of Land Changes*, need not be returned if there is nothing to report. However, a positive response under the “N/A” column on page S1F is required for those forms not returned.

You have the option of substituting for Financial Schedules A to D inclusive, copies of schedules of corresponding information as filed in your annual report required by the California Public Utilities Commission or Federal Communications Commission, or other financial statements that contain the appropriate information for the corresponding period including depreciation and taxes as called for in the schedules.

Report book cost (100 percent of actual cost). Include excise, sales and use taxes, freight-in, installation charges, finance charges during construction, and all other relevant costs required to place the property in service. Do not reduce costs for depreciation (which must be reported separately). Report separately the deduction of any trade-in value, write-downs of cost, extraordinary damage or obsolescence, or any other information that may help the Board in estimating fair market value.

Note: All replacement cost studies, obsolescence requests, and other voluntary information that assesses believe affects the value of their property must be filed with the property statement or by a date granted by a formal extension. If such information is not filed by that date, staff is not required to consider it in determining its unitary value recommendation.

SCHEDULE A — Comparative Balance Sheet

(Do not net depreciation reserve from original cost)

2007

| COMPANY NAME XYZ Wireless, Inc. | | SBE NO. 2500 |
|------------------------------------|---|------------------------|
| BALANCE AT BEGINNING OF 2005 | ASSETS | BALANCE AT END OF 2005 |
| \$ | Plant and equipment a | 1,550,000 \$ 3,100,000 |
| | Miscellaneous physical property a | |
| | Investments in securities | |
| | Other investments | |
| | Sinking and other funds | |
| | Other utility plant | |
| | Construction Work In Progress a | 200,000 400,000 |
| | Cash and working funds | |
| | Temporary cash investments and special deposits | |
| | Notes receivable | |
| | Accounts receivable | |
| | Interest, dividends, and rents receivable | |
| | Materials and supplies a | 10,000 20,000 |
| | Inventory held for sale or lease in ordinary course of business a | |
| | Discount on capital stock | |
| | Discount and expense on funded dept. | |
| | Prepayments | |
| | All other deferred debits (describe) | |
| | Future Use Property | |
| \$ | TOTAL ASSETS AND OTHER DEBITS | \$ 1,720,000 |
| | LIABILITIES | |
| \$ | Capital stock | \$ |
| | Premiums and assessments on capital stock | |
| | Funded debt unmatured | |
| | Capital stock expense | |
| | Other long term debt | |
| | Loans and notes payable | |
| | Accounts payable | |
| | Matured interest and dividends | |
| | Taxes accrued | |
| | Customer deposits and advances | |
| | Other current and accrued liabilities | |
| | Premium on long term debt | |
| | Depreciation reserve nontaxable property a | (900,000) (1,800,000) |
| | Depreciation reserve other plant and eq. a | |
| | Depreciation reserve nonoperative prop. a | |
| | Deferred income taxes | |
| | Other reserves | |
| | Employees' provident reserve | |
| | Other deferred and unadjusted credits | |
| | Retained earnings | 1,720,000 |
| \$ | TOTAL LIABILITIES AND OTHER CREDITS | \$ 1,720,000 |

Note: ^a Interstate companies show California end-of-year amount in box.

SCHEDULE B — Plant and Equipment**2007**

| LINE NO. | ACCOUNT NO. | ACCOUNT TITLE | BALANCE AS OF 1-1-05 | ADDITIONS | RETIREMENTS | BALANCE AS OF 1-1-06 |
|----------|-------------|---|----------------------|-----------|-------------|----------------------|
| 1 | | INTANGIBLES — (BOE-529-I) | | | | |
| 2 | | | | | | |
| 3 | | REAL ESTATE | | | | |
| 4 | | Land* | | | | |
| 5 | | Rights of Way, Easements, etc.* | | | | |
| 6 | | Buildings | | | | |
| 7 | | Misc. Structures, Leasehold Imps. & Shelters | | | | |
| 8 | | | | | | |
| 9 | | MISCELLANEOUS PROPERTY IN SERVICE | | | | |
| 10 | | Unlicensed Vehicles | | | | |
| 11 | | Aircraft | | | | |
| 12 | | Furniture & Office Equipment (agree to B-1 detail) | 20,000 | 20,000 | | 40,000 |
| 13 | | General Purpose Computers (agree to B-1 detail) | 30,000 | 30,000 | | 60,000 |
| 14 | | Computer Applications Software (exclude from B-1) | 10,000 | 20,000 | | 30,000 |
| 15 | | Switch Application Software (exclude from B-1) | 20,000 | 40,000 | | 60,000 |
| 16 | | Radio Freq/PTS Software (exclude from B-1) | 20,000 | 40,000 | | 60,000 |
| 17 | | Misc. Tools & Work Equipment (agree to B-1 detail) | | | | |
| 18 | | Licensed Motor Vehicles (exclude from B-1) | | | | |
| 19 | | Sub-Total — Miscellaneous Property in Service | 100,000 | 150,000 | | 250,000 |
| 20 | | | | | | |
| 21 | | CENTRAL OFFICE EQUIPMENT | | | | |
| 22 | | Power Equipment | | | | |
| 23 | | Switching Equipment | 500,000 | 200,000 | | 700,000 |
| 24 | | Base Site Controller | | | | |
| 25 | | Radio Frequency Channel Equipment | 200,000 | 100,000 | | 300,000 |
| 26 | | Sub-Total — Central Office Equipment | 700,000 | 300,000 | | 1,000,000 |
| 27 | | | | | | |
| 28 | | OUTSIDE PLANT | | | | |
| 29 | | Antennae | 50,000 | 50,000 | | 100,000 |
| 30 | | Towers | 100,000 | 100,000 | | 200,000 |
| 31 | | Transmission | | | | |
| 32 | | Sub-Total — Outside Plant (agree to B-1 detail) | 150,000 | 150,000 | | 300,000 |
| 33 | | | | | | |
| 34 | | CUSTOMER PREMISE EQUIPMENT (CPE) | | | | |
| 35 | | | | | | |
| 36 | | Sub-Total — Customer Premise Equipment | | | | |
| 37 | | | | | | |
| 38 | | OTHER (describe) | | | | |
| 39 | | | | | | |
| 40 | | Sub-Total — Other Equipment | | | | |
| 41 | | | | | | |
| 42 | | TOTAL IN SERVICE | 950,000 | 600,000 | -0- | 1,550,000 |
| 43 | | | | | | |
| 44 | | MATERIALS AND SUPPLIES | 10,000 | | | 10,000 |
| 45 | | FORM BOE-600-A LEASED EQUIPMENT | | | | |
| 46 | | CAPITALIZED CPE HELD FOR SALE OR LEASE | | | | |
| 47 | | CONSTRUCTION WORK IN PROGRESS (Total Sch. D) | 500,000 | 150,000 | 450,000 | 200,000 |
| 48 | | Total in California | 1,460,000 | 100,000 | 450,000 | 1,760,000 |
| 49 | | Total all other states | | | | |
| 50 | | GRAND TOTAL SYSTEM | 1,460,000 | 750,000 | 450,000 | 1,760,000 |
| 51 | | | | | | |
| 52 | | DEPRECIATION RESERVE — TOTAL CALIFORNIA PROPERTY | | | | |
| 53 | | DEPRECIATION RESERVE — Non-Taxable Property (licensed vehicles, software, etc., attach detail by account) | | | | |

* If additions and/or retirements are reported for Land or Rights of Way, Easements, etc., the BOE-551, *Statement of Land Changes*, must be filed with the Valuation Division.

2007**SCHEDULE B-0 — DISTRIBUTION OF COST**

OVER FOR MORE COUNTIES ▸

| | |
|------------------------------------|-----------------|
| COMPANY NAME XYZ Wireless, Inc. | SBE NO. 2500 |
|------------------------------------|-----------------|

SECTION A — Complete this section if you have property located in only ONE (1) California county. See instructions for reporting State-Assessed Property — Telephone Companies — Wireless for a listing of county names and county numbers.

| | |
|-------------|------------|
| COUNTY NAME | COUNTY NO. |
|-------------|------------|

SECTION B — Complete this section if you have property in two or more California counties. Forms BOE-532 and BOE-533 are not required.

| LINE NO. | ACCOUNT TITLE | SCHEDULE B CALIFORNIA BALANCE AS OF 1-1-06 | COUNTY NAME Alameda COUNTY NO. 1 | COUNTY NAME Contra Costa COUNTY NO. 7 | COUNTY NAME El Dorado COUNTY NO. 9 | COUNTY NAME Los Angeles COUNTY NO. 19 |
|----------|--|--|--|---|--|---|
| 1 | INTANGIBLES — (BOE-529-I) | | | | | |
| 2 | | | | | | |
| 3 | REAL ESTATE | | | | | |
| 4 | Land | | | | | |
| 5 | Rights of Way, Easements, etc. | | | | | |
| 6 | Buildings | | | | | |
| 7 | Misc. Structures, Leasehold Imps. & Shelters | | | | | |
| 8 | | | | | | |
| 9 | MISCELLANEOUS PROPERTY IN SERVICE | | | | | |
| 10 | Unlicensed Vehicles | | | | | |
| 11 | Aircraft | | | | | |
| 12 | Furniture & Office Equipment (agree to B-1 detail) | 40,000 | 4,000 | 2,000 | 2,000 | 2,000 |
| 13 | General Purpose Computers (agree to B-1 detail) | 60,000 | 4,000 | 2,000 | 2,000 | 2,000 |
| 14 | Computer Applications Software (exclude from B-1) | | | | | |
| 15 | Switch Application Software (exclude from B-1) | | | | | |
| 16 | Radio Freq/PTS Software (exclude from B-1) | | | | | |
| 17 | Misc. Tools & Work Equipment (agree to B-1 detail) | | | | | |
| 18 | Licensed Motor Vehicles (exclude from B-1) | | | | | |
| 19 | Sub-Total — Miscellaneous Property in Service | | | | | |
| 20 | CENTRAL OFFICE EQUIPMENT | | | | | |
| 21 | Power Equipment | | | | | |
| 22 | Switching Equipment | 700,000 | 80,000 | 40,000 | 40,000 | 40,000 |
| 23 | Base Site Controller | | | | | |
| 24 | Radio Frequency Channel Equipment | 300,000 | 20,000 | 10,000 | 10,000 | 10,000 |
| 25 | Sub-Total — Central Office Equipment | | | | | |
| 26 | OUTSIDE PLANT | | | | | |
| 27 | Antennae | 100,000 | 10,000 | 5,000 | 5,000 | 5,000 |
| 28 | Towers | 200,000 | 20,000 | 10,000 | 10,000 | 10,000 |
| 29 | Transmission | | | | | |
| 30 | Sub-Total — Outside Plant (agree to B-1 detail) | | | | | |
| 31 | CUSTOMER PREMISE EQUIPMENT (CPE) | | | | | |
| 32 | | | | | | |
| 33 | | | | | | |
| 34 | Sub-Total — Customer Premise Equipment | | | | | |
| 35 | OTHER (describe) | | | | | |
| 36 | | | | | | |
| 37 | | | | | | |
| 38 | Sub-Total — Other Equipment | | | | | |
| 39 | | | | | | |
| 40 | TOTAL IN SERVICE | | | | | |
| 41 | | | | | | |
| 42 | MATERIALS AND SUPPLIES | 10,000 | | | | |
| 43 | FORM BOE-600-A LEASED EQUIPMENT | | | | | |
| 44 | CAPITALIZED CPE HELD FOR SALE OR LEASE | | | | | |
| 45 | | | | | | |
| 46 | CONSTRUCTION WORK IN PROGRESS (Total Sch. D) | 200,000 | | | | |
| 47 | Total in California | 1,610,000 | 138,000 | 69,000 | 69,000 | 69,000 |

Do not include Land, Rights of Way, Licensed Motor Vehicles and Computer Applications Software in the Distribution of Cost.

Note: Nonoperating property should be reported on form BOE-532, *Tangible Property List*. See publication 67-WT, *Instructions for Reporting State-Assessed Property*, for detailed instructions.

2007**SCHEDULE B-0 — DISTRIBUTION OF COST**

| | |
|------------------------------------|-----------------|
| COMPANY NAME XYZ Wireless, Inc. | SBE NO. 2500 |
|------------------------------------|-----------------|

SECTION B — Complete this section if you have property in two or more California counties. Form BOE-532 is not required.

| COUNTY NAME | COUNTY NAME | COUNTY NAME | COUNTY NAME | COUNTY NAME | COUNTY NAME | COUNTY NAME | COUNTY NAME | COUNTY NAME |
|-------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|
| Orange | Placer | Sacramento | San Diego | San Francisco | Santa Clara | | | |
| COUNTY NO. | COUNTY NO. | COUNTY NO. | COUNTY NO. | COUNTY NO. | COUNTY NO. | COUNTY NO. | COUNTY NO. | COUNTY NO. |
| 30 | 31 | 34 | 37 | 38 | 43 | | | |
| [REDACTED] | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 2,000 | 2,000 | 20,000 | 2,000 | 2,000 | 2,000 | | | |
| 2,000 | 2,000 | 40,000 | 2,000 | 2,000 | 2,000 | | | |
| [REDACTED] | | | | | | | | |
| | | | | | | | | |
| [REDACTED] | | | | | | | | |
| 40,000 | 40,000 | 300,000 | 40,000 | 40,000 | 40,000 | | | |
| | | | | | | | | |
| 10,000 | 10,000 | 200,000 | 10,000 | 10,000 | 10,000 | | | |
| [REDACTED] | | | | | | | | |
| 5,000 | 5,000 | 50,000 | 5,000 | 5,000 | 5,000 | | | |
| 10,000 | 10,000 | 100,000 | 10,000 | 10,000 | 10,000 | | | |
| | | | | | | | | |
| [REDACTED] | | | | | | | | |
| | | | | | | | | |
| [REDACTED] | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| [REDACTED] | | | | | | | | |
| | | 10,000 | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | 200,000 | | | | | | |
| 69,000 | 69,000 | 920,000 | 69,000 | 69,000 | 69,000 | | | |

2007**SCHEDULE B-1 — COST DETAIL OF DEPRECIABLE PROPERTY AS OF JANUARY 1, 2007 (1 of 4)**

COMPANY NAME

XYZ Wireless, Inc.

SBE NO.

2500

INTERSTATE COMPANIES: Prepare a Separate Schedule B-1 for California and for Total System.

This page for **CALIFORNIA**

| CAL. YEAR OF ACQ. | BUILDINGS ORIGINAL COST | MISC. STRUCTURES & LEASEHOLD IMPROVEMENTS ORIGINAL COST | SHELTERS ORIGINAL COST | FURNITURE & OFFICE EQUIPMENT ORIGINAL COST | GENERAL PURPOSE COMPUTERS ORIGINAL COST | MISC. TOOLS & WORK EQUIPMENT ORIGINAL COST |
|-------------------------|----------------------------|--|---------------------------|--|---|--|
| 2006 | | | | 20,000 | 30,000 | |
| 2005 | | | | 10,000 | 20,000 | |
| 2004 | | | | 10,000 | 10,000 | |
| 2003 | | | | | | |
| 2002 | | | | | | |
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| 1963 | | | | | | |
| 1962 | | | | | | |
| 1961 | | | | | | |
| Prior | | | | | | |
| TOTAL | | | | 40,000 | 60,000 | |

Note: Do not include Licensed Motor Vehicles or Computer Software Cost in any Schedule B-1 Category.

2007**SCHEDULE B-1 — COST DETAIL OF DEPRECIABLE PROPERTY AS OF JANUARY 1, 2007 (2 of 4)**

| | |
|------------------------------------|-----------------|
| COMPANY NAME XYZ Wireless, Inc. | SBE NO. 2500 |
|------------------------------------|-----------------|

INTERSTATE COMPANIES: Prepare a Separate Schedule B-1 for California and for Total System.

This page for **CALIFORNIA**

| CAL. YEAR OF ACQ. | ANALOG COE SWITCH ORIGINAL COST | DIGITAL COE SWITCH ORIGINAL COST | BASE TRANSCIVER STATION & RADIO FREQUENCY CHANNEL EQUIPMENT ORIGINAL COST | OUTSIDE PLANT ORIGINAL COST | CUSTOMER PREMISE EQUIPMENT ORIGINAL COST | OTHER COMMUNICATIONS EQUIPMENT ORIGINAL COST |
|-------------------------|------------------------------------|--|---|--------------------------------|--|---|
| 2006 | | 200,000 | 100,000 | 150,000 | | |
| 2005 | | 300,000 | 100,000 | 100,000 | | |
| 2004 | | 200,000 | 100,000 | 50,000 | | |
| 2003 | | | | | | |
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| 1964 | | | | | | |
| 1963 | | | | | | |
| 1962 | | | | | | |
| 1961 | | | | | | |
| Prior | | | | | | |
| TOTAL | | 700,000 | 300,000 | 300,000 | | |

Note: Do not include Licensed Motor Vehicles or Computer Software Cost in any Schedule B-1 Category.

2007**SCHEDULE B-1 — COST DETAIL OF DEPRECIABLE PROPERTY AS OF JANUARY 1, 2007 (3 of 4)**

COMPANY NAME

XYZ Wireless, Inc.

SBE NO.

2500

INTERSTATE COMPANIES: Prepare a Separate Schedule B-1 for California and for Total System.

This page for **SYSTEM**

| CAL. YEAR OF ACQ. | BUILDINGS ORIGINAL COST | MISC. STRUCTURES & LEASEHOLD IMPROVEMENTS ORIGINAL COST | SHELTERS ORIGINAL COST | FURNITURE & OFFICE EQUIPMENT ORIGINAL COST | GENERAL PURPOSE COMPUTERS ORIGINAL COST | MISC. TOOLS & WORK EQUIPMENT ORIGINAL COST |
|-------------------------|----------------------------|--|---------------------------|--|---|--|
| 2006 | | | | 40,000 | 60,000 | |
| 2005 | | | | 20,000 | 40,000 | |
| 2004 | | | | 20,000 | 20,000 | |
| 2003 | | | | | | |
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| 1962 | | | | | | |
| 1961 | | | | | | |
| Prior | | | | | | |
| TOTAL | | | | 80,000 | 120,000 | |

Note: Do not include Licensed Motor Vehicles or Computer Software Cost in any Schedule B-1 Category.